

BUSINESS REPORT

**MONTANA HOUSE OF REPRESENTATIVES
61st LEGISLATURE - REGULAR SESSION**

HOUSE STATE ADMINISTRATION COMMITTEE

Date: Thursday, February 19, 2009
Place: Capitol

Time: 8:00 am
Room: 455

BILLS and RESOLUTIONS HEARD:

Prefix (HB, HR, HJR, SB, SR, or SJR) and number. Add Postponed (PP) when appropriate:

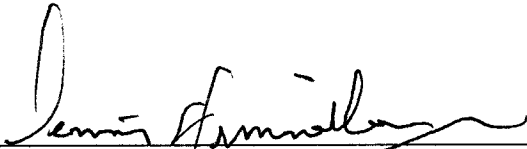
HB 556, HB 594, HB 622, HJ 22, HJ 27

EXECUTIVE ACTION TAKEN:

Prefix (HB, HR, HJR, SB, SR, or SJR) and number. Enter P(pass) F(failed) DPAA (do pass as amended) BC(be concurred in) BCAA (be concurred in as amended):

<u>HJ 22 P</u>	<u>HB 493 Tabled</u>	_____	_____
<u>HB 546 P</u>	<u>HB 570 Tabled</u>	_____	_____
<u>HB 532 Tabled</u>	<u>HB 553 Tabled</u>	_____	_____
<u>HB 479 Tabled</u>	<u>HB 547 Tabled</u>	_____	_____

COMMENTS:



REP. Dennis Himmelberger, Chairman

HOUSE OF REPRESENTATIVES
Roll Call
State Administration COMMITTEE

DATE: Feb. 19, 2009

<u>NAME</u>	<u>PRESENT</u>	<u>ABSENT/ EXCUSED</u>
Representative O'Hara	✓	
Representative Dickenson	✓	
Representative Bean	✓	
Representative Belcourt		✓
Representative Boniek	✓	
Representative Boss Ribs	✓	absent
Representative Brown	✓	absent
Representative Caferro		✓ ex
Representative Hands	✓	
Representative Hendrick	✓	
Representative Ingraham	✓	
Representative MacLaren	✓	
Representative Malek	✓	
Representative Phillips	✓	
Representative Van Dyk		✓
Representative Washburn	✓	
Representative Wilmer		✓
Chairman Himmelberger	✓	



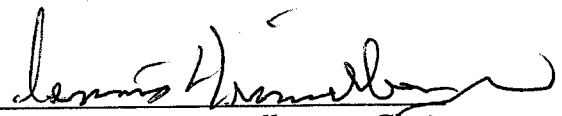
HOUSE STANDING COMMITTEE REPORT

February 19, 2009

Page 1 of 1

Mr. Speaker:

We, your committee on **State Administration** recommend that **House Bill 546** (first reading copy – white) **do pass**.

Signed: 
Representative Dennis Himmelberger, Chair

- END -

Committee Vote:

Yes 12, No 6

Fiscal Note Required ☐

HB0546001SC.hjd



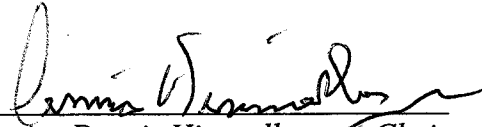
HOUSE STANDING COMMITTEE REPORT

February 19, 2009

Page 1 of 1

Mr. Speaker:

We, your committee on **State Administration** recommend that **House Joint Resolution 22** (first reading copy – white) **do pass**.

Signed: 
Representative Dennis Himmelberger, Chair

- END -

Committee Vote:

Yes 18, No 0

Fiscal Note Required ☐

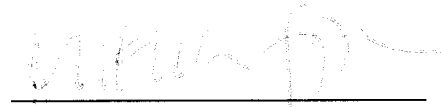
HJ0022001SC.hjd

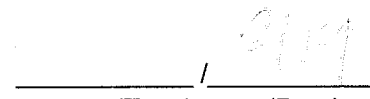
COMMITTEE FILE COPY

TABLED BILL

The HOUSE STATE ADMINISTRATION COMMITTEE TABLED HB 479, HB 493, HB 532, HB 547, HB 553, HB 570, by motion, on Thursday, February 19, 2009.


(For the Committee)


(Chief Clerk of the House)


(Time) (Date)

February 19, 2009

Marshall C. McEwen, Secretary

Phone: 4607

HOUSE OF REPRESENTATIVES
Roll Call Vote
State Administration COMMITTEE

DATE 2/17/09 BILL NO. HB 479 MOTION NO. _____
 MOTION: Do Pass

NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
Representative Jesse O'Hara	✓		
Representative Sue Dickenson		✓	
Representative Russell Bean	✓		
Representative Tony Belcourt		✓	
Representative Joel Boniek	✓		
Representative Frosty Boss Ribs		✓	
Representative Dee Brown		✓	✓
Representative Mary Caferro		✓	
Representative Betsy Hands		✓	
Representative Gordon Hendrick	✓		
Representative Pat Ingraham	✓		
Representative Gary MacLaren	✓		
Representative Sue Malek		✓	
Representative Mike Phillips		✓	
Representative Kendall Van Dyk		✓	✓
Representative Ted Washburn	✓		
Representative Franke Wilmer		✓	✓
Chairman Dennis Himmelberger	✓		

HOUSE OF REPRESENTATIVES
Roll Call Vote
State Administration COMMITTEE

DATE 2/19/09 BILL NO HB576 MOTION NO. _____
 MOTION: Do Pass

<u>NAME</u>	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
Representative Jesse O'Hara		✓	
Representative Sue Dickenson	✓		
Representative Russell Bean		✓	
Representative Tony Belcourt	✓		
Representative Joel Boniek	✓		
Representative Dee Brown		✓	✓
Representative Mary Caferro	✓		
Representative Frosty Calf Boss Ribs	✓		
Representative Betsy Hands	✓		✓
Representative Gordon Hendrick		✓	
Representative Pat Ingraham		✓	
Representative Gary MacLaren	✓		
Representative Sue Malek	✓		
Representative Mike Phillips	✓		
Representative Kendall Van Dyk	✓		✓
Representative Ted Washburn		✓	
Representative Franke Wilmer	✓		✓
Chairman Dennis Himmelberger	✓		

HOUSE OF REPRESENTATIVES
Roll Call Vote
State Administration COMMITTEE

DATE 2/19/09 BILL NO HB493 MOTION NO. _____
 MOTION: Be Amended HB 049301.95h

<u>NAME</u>	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
Representative Jesse O'Hara		✓	
Representative Sue Dickenson	✓		
Representative Russell Bean		✓	
Representative Tony Belcourt		✓	
Representative Joel Boniek		✓	
Representative Dee Brown		✓	
Representative Mary Caferro		✓	
Representative Frosty Calf Boss Ribs		✓	
Representative Betsy Hands		✓	
Representative Gordon Hendrick		✓	
Representative Pat Ingraham		✓	
Representative Gary MacLaren		✓	
Representative Sue Malek		✓	
Representative Mike Phillips		✓	
Representative Kendall Van Dyk	✓	.	✓
Representative Ted Washburn		✓	
Representative Franke Wilmer		✓	
Chairman Dennis Himmelberger		✓	

HOUSE OF REPRESENTATIVES
Roll Call Vote
State Administration COMMITTEE

DATE 2/19/09 BILL NO. HB 493 MOTION NO. _____
 MOTION: Do Pass

<u>NAME</u>	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
Representative Jesse O'Hara		✓	
Representative Sue Dickenson	✓		
Representative Russell Bean		✓	
Representative Tony Belcourt	✓		
Representative Joel Boniek		✓	
Representative Frosty Boss Ribs	✓		
Representative Dee Brown		✓	
Representative Mary Caferro	✓		
Representative Betsy Hands	✓		
Representative Gordon Hendrick		✓	
Representative Pat Ingraham		✓	
Representative Gary MacLaren		✓	
Representative Sue Malek	✓		
Representative Mike Phillips	✓		
Representative Kendall Van Dyk	✓		✓
Representative Ted Washburn		✓	
Representative Franke Wilmer	✓		
Chairman Dennis Himmelberger		✓	

HOUSE OF REPRESENTATIVES

Roll Call Vote

State Administration COMMITTEE

DATE 2/19/09 BILL NO HB 547 MOTION NO. _____
 MOTION: Do Pass as Amended

NAME	AYE	NO	If Proxy Vote, check here & include signed Proxy Form with minutes
Representative Jesse O'Hara	✓		
Representative Sue Dickenson		✓	
Representative Russell Bean	✓		
Representative Tony Belcourt		✓	
Representative Joel Boniek	✓		
Representative Frosty Boss Ribs		✓	
Representative Dee Brown	✓		
Representative Mary Caferro		✓	
Representative Betsy Hands		✓	
Representative Gordon Hendrick	✓		
Representative Pat Ingraham	✓		
Representative Gary MacLaren	✓		
Representative Sue Malek		✓	
Representative Mike Phillips		✓	
Representative Kendall Van Dyk		✓	✓
Representative Ted Washburn	✓		
Representative Franke Wilmer		✓	
Chairman Dennis Himmelberger	✓		

**AUTHORIZED
COMMITTEE PROXY**

I request to be excused from the State Admin

Committee because of other commitments. I desire to leave my proxy vote with:

Gene O'Han

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT

AYE NO

HB 532 table	X	
" 546		X
H.B. 479		X
" table	X	
H.B. 793		

BILL/AMENDMENT

AYE NO

Rep. Lee Brown
(Signature)

Date _____

**AUTHORIZED
COMMITTEE PROXY**

I request to be excused from the SAVA

Committee because of other commitments. I desire to leave my proxy vote with:

Sue Dickerson

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT

AYE NO

HB 546	X	
HB 479		X

BILL/AMENDMENT

AYE NO

Rep.

Frankie White

(Signature)

Date

2/19/09

**AUTHORIZED
COMMITTEE PROXY**

I request to be excused from the State Ad.

Committee because of other commitments. I desire to leave my proxy vote with:

Frankie Vilmer

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT

AYE NO

<u>Tabled HB 532</u>	<u>X</u>	

BILL/AMENDMENT

AYE NO

Rep. Sue Dickenson
(Signature)

Date 2/19/09

AUTHORIZED COMMITTEE PROXY

I request to be excused from the State ad

Committee because of other commitments. I desire to leave my proxy vote with:

Luc Nickerson

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT AYE NO

532 table	✓	
546	X	

BILL/AMENDMENT AYE NO

Rep. Anthony [Signature]
(Signature)

Date 2-19-09

**AUTHORIZED
COMMITTEE PROXY**

I request to be excused from the State Admin

Committee because of other commitments. I desire to leave my proxy vote with:

Sue Dickenson

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT

AYE NO

HB 1115		
HB 1115		<input checked="" type="checkbox"/>
HJ 22	X	

BILL/AMENDMENT

AYE NO

Rep.

Mary M. Cox
(Signature)

Date

2-19-09
~~2-18-09~~
~~2-17-09~~

Van Dyk

AUTHORIZED COMMITTEE PROXY

I request to be excused from the State Ad.

Committee because of other commitments. I desire to leave my proxy vote with:

Sue Dickerson

Indicate Bill number and your vote Aye or No. If there are amendments, list them by name and number under the bill and indicate a separate vote for each amendment.

BILL/AMENDMENT	AYE	NO
Table 532 Table		
HB 546	X	
HQ 22	X	
HB 479		X
HB 493-amend	X	
HB 493	X	
HB 493 Table	X	
HB 570 - Table	X	
HB 553 - Table	X	
HB 547 ^{54701.934} - amend	X	
HB 547		X
HB 547 - Table		

BILL/AMENDMENT	AYE	NO

Rep. 

(Signature)

Van Dyk

Date 2-19-09

State Administration Committee Date 2/19/09

PLEASE PRINT **PLEASE PRINT** **PLEASE PRINT**

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

**Montana House of Representatives
Visitors Register**

State Administration Committee Date 2/19/09

Bill No. HB 622 Sponsor(s) Rep. D. Himmelberger

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Name and Address	Representing	Support	Oppose	Inf.
Dennis Kneen	CPP	X		X

Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

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Montana House of Representatives Visitors Register

State Administration Committee Date 2/19/09

Bill No. HJ22 Sponsor(s) Rep. J. O'Hara

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Please leave prepared testimony with Secretary. Witness Statement forms are available if you care to submit written testimony.

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AD

Ted & Sherrie Handel . 2221 Gold Rush Avenue . Helena MT 59601

February 16, 2009

Rep. Chuck Hunter
State of Montana House of Representatives
State Capitol
Helena MT 59601

RE: HB 594

Dear Rep. Hunter:

While campaigning for House District 79 last year, you came to our door asking for our votes. In conversation with my husband, you commented that any \$80K per year state Bureau Chief could do the job of the President/CEO of Montana State Fund, that he and MSF employees are overpaid and you would be doing something about it, if elected. It appears that HB 594 is your first step. It is a bad bill and I urge you to reconsider its passage.

State employees are paid with General Fund monies. I believe they deserve bonus payments when warranted for exemplary service and I believe they are already underpaid for the work they do. Montana State Fund employees are *not* paid from General Fund monies, rather we are paid with premium dollars. Compensation for nearly 300 employees makes up less than one percent of our total expenses.

Montana State Fund and 25 other State Funds in the country are assisted in their compensation decisions by The Hay Group. The Hay Group was established in 1943 and is located in 47 countries and 88 cities with over 10K clients worldwide. They have extensive experience consulting with members of the American Association of State Compensation Insurance Funds (AASCIF) including Arizona, California, Colorado, Idaho, Kentucky, Louisiana, Maryland, Minnesota, Missouri, Montana, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, Texas, Utah, and West Virginia.

Until the late 1980's/early 1990's, the vast majority of organizations that constituted AASCIF were agencies of state government or were within the departments of state government. Fiscal challenges facing these organizations led legislatures to either create new State Funds or move the State Funds out from under the umbrella of the state in order for these organizations to compete effectively in the market and "upright their financial ships." Today, there are 26 State Funds in the US, the vast majority of which are of the same status as Montana State Fund, that being *they operate in a competitive market and are a non-state agency for salary and incentive setting purposes.*

Legislation creating these changes gives the State Funds the accountability for establishing their own strategies, structures, policies and procedures to enable them to achieve their business objectives. This has included the establishment of effective compensation and performance management plans to enable the organization to attract, retain, motivate and reward employees based on pay-for-performance principles. Two of the guiding principles used by AASCIF State Funds include:

1. The State Fund will maintain a strong financial position to ensure continued long-term stability and financial solvency based on actuarially sound rates and reserves.

Rep. Chuck Hunter
Montana House of Representatives
February 16, 2009
Page Two

2. The State Fund will have a performance-driven culture and a continuous improvement work environment, which is conducive to the development and growth of its employees. ***Compensation incentives will be fair and competitive in relation to the market.*** (Note: MSF's market is other State Funds *not* other state agencies.)

In addition, your bill refers to "bonus payments," but there is a difference between an incentive plan (which MSF uses) and a bonus plan (to which you refer in your bill). An incentive plan is one where the goals and objectives and the incentive opportunity are known at the start of the year. A bonus plan is where the amount of payment is determined on a discretionary basis after the fact. I refer to you www.montanastatefund.com. Click on "About MSF," followed by "Board of Directors" and then pages 13-15 of the Board Minutes September 26, 2008 for verification of these facts as presented by Neville Kenning of The Hay Group.

As Special Assistant to the President/CEO of Montana State Fund, I urge you to contact Lanny Hubbard, our President/CEO when you have questions about MSF. I know he would be more than happy to entertain any questions or concerns of any legislator, policyholder or injured employee. Your apparent lack of understanding of how a state fund operates in relation to how state agencies operate could be easily remedied by Mr. Hubbard.

The bottom line, Rep. Hunter, is that this bill appears to be the result of your personal assumption about how Montana State Fund employees should be paid. It incorrectly mixes apples (state employees) and oranges (MSF employees). I cannot address the way state employees are paid with tax dollars, but I hope my explanation above helps your understanding of how compensation is determined at Montana State Fund which must work in a competitive market at the same time as being the guaranteed market for those small businesses in Montana that other insurers won't touch.

Passage of your bill will hurt MSF's single mothers, one-income families that have made a choice to do with less so a parent can stay home with their children, and all employees who work hard toward a goal and, when that goal is attained, are rewarded. In the six years I have worked for MSF, I have received an incentive payment three times. It is not a guaranteed benefit and all of us here know it. It takes teamwork, a positive attitude, and hard work to attain our goals. We deserve better than HB 594.

Sincerely,



Sherrie A. Handel

cc: ✓ Montana House of Representatives-
State Administration Committee